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Ideas on Liberty

DECEMBER 1982

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Clarence B. Carson

Beyond the Christmas Story

CHRISTMAS is many things. It is the time of the celebration of the birth of the Christ child. It is a season when many preparations are being made. Gifts must be bought, cards sent, decorations put up, food assembled, trips made, and much work done. It is a vacation time, a time of feasting, a time of the gathering of family and friends, a time of giving and receiving. As the long awaited day approaches, small children can hardly contain their eagerness, and older people feel, if they cannot entirely share, their excitement. And, if Christmas is not a time of unalloyed joy, much effort is given to making it have that appearance.

For adults, Christmas is apt to be entangled in a bundle of childhood memories. It is a memory of crisp wintry mornings, with a sprinkling of frost or snow glistening on roof tops. It is a memory of an all-too-brief vacation in the midst of the school year, of special programs at school and church, of Christmas trees, and, for those who grew up in the country, going into the woods to find and cut a cedar, fir, or pine to bring home and decorate. Above all, it is the memory of a time in our lives when the sense of mystery, awe, and wonder was still alive to numerous possibilities, and the poetic had lost little ground to the prosaic.

For children especially, Christmas is a season of special sights, sounds, and aromas. Much of the appeal of Christmas is to the eye. There is the Christmas tree with its glittering balls, tinsel, strands of colored lights, topped, perchance, with

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an angel or a star, and surrounded by brightly wrapped packages. There are often wreaths on the doors of houses, candles in the windows, colored lights strung around them, and even nativity scenes on lawns or a Santa on the roof in a sleigh pulled by reindeer. Churches, too, often feature nativity scenes, and business districts have their decorations in cities. Wreaths, bells, and colored lights are prominently displayed. Stores often have Christmas trees, frosted windows, wreaths and tinsel hung in conspicuous places.

But the sounds of Christmas are as impressive as the sights, and often more moving. The bell is almost as much a symbol of Christmas as the candle, for the ringing of bells signals the glad tidings that a child is born. Church chimes render carols, Salvation Army stations have bells that are rung, and, in some climes, when snow has fallen, sleigh bells can be heard in the distance. The most joyous sounds of Christmas, though, are the music. There is Handel's incomparable *Messiah* and its thrilling "Hallelujah Chorus." There are the great Christmas hymns: "Joy to the World," "O Holy Night," "Hark! The Herald Angels," and "Silent Night," among many others. There are secular favorites, such as "Winter Wonderland," "Nutcracker Suite," and "White Christmas," as well as those in between, such as "God Rest Ye Merry Gentlemen" and "The Little Drummer Boy." There are sounds, too, which have the flavor of Christmas: the ringing of the doorbell announcing the arrival of guests, the clinking of glasses, the joyous cries of children as they open presents, and the murmurs that are only partly intended as words as relatives and friends renew contact with one another.

Then, there are the smells of Christmas: of wood burning in the fireplace, of the tallow melting on the candles, of cedar or fir as the Christmas tree is warmed, and of leather, paint, perfume, lotions, new fabrics, and the like, from newly opened gifts. There is the aroma of special foods being prepared: of the turkey baking, of all the ingredients that go into the stuffing, and the table laden with puddings, pies, sauces, and other delectable dishes. There are Christmas tastes, too, but with these we go beyond anticipation, which is the essence of Christmas, toward fulfillment.

A Feeling of Sadness

And yet. And yet. As we grow up and grow older there is a sadness associated with Christmas, a sadness that makes us reluctant to think about the one that is coming, a sadness that can overwhelm and become depression, a malaise of the spirit which, when it is upon us, makes it difficult, if not impossible,

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to recapture the sense of joy we think we should feel. However deeply people may feel this malaise, they usually touch it lightly, if at all. They tend to disparage their own emotions with such statements as "I just don't have the Christmas spirit" or "It doesn't feel like Christmas to me yet." Or, a husband or a wife may say one to the other: "I wish we could go on a trip somewhere and let Christmas come and go without us."

The poet Frances Ridley Havergal touched this feeling in her poignant poem, "Bells Across the Snow." The opening verse reads:

O Christmas, merry Christmas!
  Is it really come again,
With its memories and greetings,
  With its joy and with its pain?
There's a minor in the carol,
  And a shadow in the light,
And a spray of cypress twining
  With the holly wreath to-night.
And the hush is never broken
  By laughter light and low,
As we listen in the starlight
  To the "bells across the snow."

She goes on, too, to suggest some of the sources of the pain. There are people missing from the circle, she says, which bring a tinge of sorrow to the occasion. The weight of age, too, is upon us, and so far as the merry Christmas of childhood memory goes:

  This never more can be;
We cannot bring again the days
  Of our unshadowed glee.

Toward New Hope and Joy

But it is not my purpose here either to dwell upon the sadness or to attempt to make any extended explanation of it. Rather, I wish to point the way beyond the sorrow to new hope and joy. For that, we may begin with but we must go beyond the Christmas story. Children have been taught, perhaps inadvertently, to view Christmas as an end in itself, as a fruition, a fulfillment, a completion. They have anticipated the day for days, weeks, and sometimes months, and our customs supply them a culmination. It is the opening of the presents. It is not uncommon, however, for an older child to open his presents, look them over, and turn to the givers to ask, "Is this all?" The seeds of the sadness which many feel about Christmas lie in that question.

But Christmas is not an end itself, nor a fruition or fulfillment. It is the celebration of a beginning. The birth of every child is a beginning. It is often a joyous occasion, as friends and relatives gather to marvel at the wonder that is a newborn baby and congratulate the parents. Even so, it is the beginning of something, not the end. Nor would any adult think of looking at the tiny infant and asking, "Is that all?" We know it is not; it is only the beginning. Just so, the story of the child whose birth we celebrate at Christmas did not end with that event. It was a beginning,

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an auspicious one, a beginning with a star bright promise, if you will, but a beginning nonetheless.

Ahead lay the fulfillment of a mission for Jesus. It was to teach the ways of God to man. These He taught by example and in words. Before He could do that, He had first to grow up, to learn by experience, to make it a part of second nature, so to speak, how people think and talk and act. Above all, He depended for the success of His undertaking upon its meaning being grasped and acted upon by flawed men.

Jesus provided an answer to the child who asks of his gifts on Christmas day if that is all, though a child who would ask it may not yet be ready for the answers. No, that is not all, He would surely reply; it is hardly even a beginning. Those poor gifts are but an uncertain key to a paradox, indeed, to a whole bundle of paradoxes. Here are some of them. It is better to give than to receive. It is better to serve than to be served. The first shall be last, and the last shall be first. He who would gain his life must lose it. If you are struck on one cheek, He said, turn the other to the assailant. Greater love hath no man than to lay down his life for a friend.

The Ways of Peace

Jesus came not to impose a peace treaty but to teach men the ways of peace. He came not to take up the sword but to sacrifice His life for others. He came not to govern but to make men governable. He taught that it is better to serve than be served by becoming a servant Himself. He fed the hungry, healed the sick, restored sight to the blind, enabled the lame to walk, and did good deeds wherever He went. He taught that it is better to give than to receive by giving of Himself without stint. No one was too lowly to get a full measure of His attention. Even small children He welcomed, for of such, He said, is the Kingdom of Heaven.

Jesus taught many things, far too many even to allude to in a summary. There was much that He did not teach, however. He did not teach statecraft, the arts of warfare, economics, sociology, biology, physics, medicine, or even religion, as we understand such things. Instead, He taught those things that apply to all people, whatever their station in life, occupation, or calling. He taught love, compassion, concern, helpfulness, generosity, sacrifice, humility, faith, hope, and charity. Above all, He taught about life and a way of life. He came, it is written, that men might have life, and have it more abundantly. This life, He taught, is lived in voluntary giving and exchange.

It is necessary to go beyond the Christmas story to learn His teachings. It is necessary to go beyond the

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Christmas story, too, to encounter the full measure of hope He brought to the world. These promises ring with hope for those who might otherwise be hopeless. "Blessed are they that mourn: for they shall be comforted. Blessed are the meek: for they shall inherit the earth. Blessed are they which do hunger and thirst after righteousness: for they shall be filled. Blessed are the merciful: for they shall obtain mercy. Blessed are the pure in heart: for they shall see God. Blessed are the peacemakers: for they shall be called the children of God." Gifts under Christmas trees are but baubles beside such goodly rewards.

It is appropriate, even so, that there should be a sadness as we look beyond Christmas, and the thought may be comforting to those who may be guilty about their own feelings. It is written that Jesus was a man of sorrow and acquainted with grief. In varying degrees, this is so for every man born of woman. Every child is brought forth in pain, and it is not a matter for surprise if much heartache, tribulation, struggles, and failures lie ahead. Undoubtedly, it is an occasion for rejoicing when a healthy child is born, but if the trials that lay ahead for many a baby could be foreseen, as happily they cannot, we might well be overcome with grief. For none other was this so true as for the Christ child.

The angelic chorus of "Peace on Earth" had hardly been completed before the troubles began. The second chapter of Matthew's Gospel relates that when rumors of the birth of the child reached King Herod he began plotting against the baby. He sent Wise Men to search for the baby, but when they had seen the Christ they returned to their own country without making a report to Herod. The child was taken secretly to Egypt. Not knowing this, Herod proclaimed that all the male children in Bethlehem who were under two years of age should be slain. The child Jesus was kept in Egypt until Herod died.

Despised and Rejected

The trials of Jesus as He was growing up and of His young manhood, such as they may have been, are not a part of the record. We do know, however, that during the brief period of His ministry He was continually being tested, having traps set for Him, and kept on the move to evade His enemies. Even at the height of His popularity, when multitudes gathered to hear Him speak, when crowds followed in His wake, when, as one writer says, His fame spread throughout all of Syria, there were murmurings and charges made about Him. When He returned to His home community to speak after triumphant journeys through other lands, people asked how one of His origins had the temerity to speak with such authority. Jesus lamented

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that a man is not without honor except in his own country.

But the worst, incomparably much the worst, came at the end. He died in disgrace. It is of this time that it is said He was despised and rejected of men. He was betrayed by one of His beloved disciples, arrested by Roman soldiers, and tried before the representative of the might of Rome, Pontius Pilate. Though Pilate found Him guilty of nothing, he yielded to the pressures of the mob and condemned Jesus to an ignominious death by crucifixion. Few, if any, could be found to defend Him now. Even that disciple who had seen so deeply earlier, turned his back upon Him, cursed at his questioner, and denied that he had known the man. The depth of Jesus's disgrace is described this way in the 27th chapter of Matthew:

> And when they had crucified him, they divided his garments among them by casting lots; then they sat down and kept watch over him there. And over his head they put the charge against him, which read, "This is Jesus the King of the Jews." Then two robbers were crucified with him, one on the right and one on the left. And those who passed by derided him, wagging their heads and saying, "You who would destroy the temple and build it in three days, save yourself! If you are the Son of God, come down from the cross." So also the chief priests with the scribes and elders, mocked him, saying, "He saved others; he cannot save himself. He is the King of Israel; let him come down now from the cross, and we will believe him. He trusts in God; let God deliver him now, if he desires him; for he said, 'I am the Son of God.' " And the robbers who were crucified with him also reviled him in the same way.

Of His suffering and agony, none who understand may write or speak except in deepest grief. But the shame was not His; the shame was the shame of the world. He came to His own, and His own did not recognize Him. He was innocent of wrongdoing; He taught and did only good.

But beyond these events lies not sadness but gladness and joy. Jesus bore our sorrow as He bore our guilt. As the Apostle Paul said, "Death is swallowed up in victory." He meant that Jesus rose again from the dead, that He was seen by many after the resurrection, and that His resurrection was surety for the life after death of all believers. Therefore, Paul continued with the Good News (15th chapter of I Corinthians): "O death, where is thy sting? O grave, where is thy victory?"

The Good News

For some, of course, the anticipation does end with Christmas. It was that way in ancient times, and it still is. Those who anticipated that Jesus would come as an earthly king and would rule with righteousness bringing peace to all the earth were doomed to disappointment. Those

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who think in terms of the transformation of nations by the use of force are still fated to have their hopes dashed and to be disappointed.

But for those who accept and believe the Good News, the anticipation does not end with Christmas; it has a new beginning in an incomparably greater anticipation. For those who do not believe that peace can be brought by the sword, that nations are not transformed except to the extent they may be one by one in the hearts of individuals, that desirable changes come, as it says in Zechariah, "Not by might, nor by power, but by my spirit, saith the Lord of hosts," every day can be an adventure. It is an adventure in discovering how things can be accomplished in peaceful ways. It is an adventure in discovering new evidence that force fails in economic production. It is an adventure in learning of individual growth and transformation.

There is the broader picture, too. That the Christmas story was only a beginning is evidenced in the annals of history. The Good News has indeed now been carried to all the world. From those beginnings nearly two thousand years ago in a remote town where people gathered to pay taxes, hundreds, thousands, tens of thousands, and millions upon millions have professed their belief in the teachings and life of Jesus Christ. Of the impact of this, we know so little, but the fact itself is a cause for wonder and hope.

Of Things to Come

But there is an anticipation beyond all these anticipations. It is the anticipation of things to come after this life. There is the promise that however hard the road in this life, however much of trial and tribulation, however great our disappointments, however numerous our failures, however much there is of sorrow and sadness, there will come a time for the faithful when, as it says in the 21st chapter of Revelations, "God himself will be with them and be their God. And God shall wipe away all tears from their eyes; and there shall be no more death, neither sorrow, nor crying, neither shall there be any more pain: for the former things are passed away."

That is the fruition of Christmas. That is the fulfillment. That is the end that is the last beginning. The Christmas that small children anticipate so hopefully is only a foretaste. Looked at in that way, when we examine the story beyond Christmas, we learn of the possibility for people of all ages to have a Merry Christmas.

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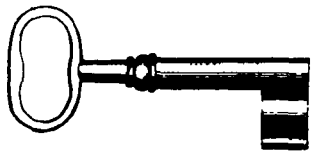
Raymond M. Burnham II



THE KEY TO SUCCESS: Do Unto Others

SET ASIDE YOUR ENVY. Set aside your prejudices. Today, in terms so simple, with logic so irrefutable, you'll discover the key to financial success, understand the two moral imperatives to its attainment, and learn who best serves his fellow men. And, you'll see how you *can* be successful and why you *should* be.

If someone satisfies *your* wants or needs, you're willing to pay him. The more and the better products he provides you, the more you're willing to pay him. That obvious truth also works in reverse.

Our economy is so intricate and so complex that most people, through envy and prejudice, have lost sight of this simple truth: We are *all* paid in *exact* proportion to the service we render others. The more anyone wants your products, the more he will pay you. And, the more people who want what you have to offer, the more they will pay you. So, to achieve financial success, simply offer more and better products to more people. Remember, and this is important, you must offer what others *do* want—not what you *think* they should want.

If you want something you have exactly four choices:

1) produce what others want and trade with those who produce what you want,
2) make it for yourself,
3) do without, or
4) steal it—either directly and illegally, or indirectly and legally by having the government take it for you through taxation or regulation.

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Stealing is unethical and counterproductive whether you steal for yourself or hire someone, with your vote, to steal for you. Other people won't produce as much when they don't get to keep and control the fruits of their labor. And, you'll diminish your own self-esteem.

Doing without doesn't do you any good and leaves everybody else worse off too. *You* won't be as happy and *they'll* have to do without whatever you would have traded with them.

Making it for yourself is an acceptable alternative except that it lacks all the advantages inherent in producing what others want and trading with them.

Finally, producing what others want and trading with those who produce what you want benefits everybody. Why? For three reasons. First, by specializing in the areas we do and like best, we are each as productive and happy as we can be with our work, so total wealth and happiness are maximized. Second, in every voluntary exchange, each party gives what he values less for what he values more, so total satisfaction is increased. And, third, such trading builds good-will, decreasing the frequency and severity of both crimes and wars, so the prospect of peace is increased.

Upon understanding these simple truths, some people are surprised to discover that it's *not* the well-intentioned social workers, the unfailingly honest government workers, or the hard-working labor classes of the world who best serve humanity. Instead, it's the inquisitive inventors, the profit-seeking capitalists, and the self-interested entrepreneurs who best serve humanity. In fact, the *best* single indicator of how well a privately-employed person serves his fellow men is his income. People don't earn high incomes by rapaciously crushing the little guy. They earn high incomes by efficiently filling the needs and satisfying the wants of others.

To sum up, you *should* seek your own self-interest. Why? To promote your natural right to survive and prosper. How? By serving others. You *should* serve others. Why? To benefit yourself. How? By trading better goods and services with more people.

Do unto others as you would have them do unto you. Satisfy their wants and needs. It's the best way to attain the riches of *this* world.

IDEAS ON LIBERTY

Immanuel Kant

ACT only on that maxim through which you can at the same time will that it should become a universal law.

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Hans F. Sennholz

ARGENTINA ON THE BRINK

IN MANY RESPECTS Argentina moves ahead of other Western countries. While the U.S., Great Britain, France, Italy, and others suffered double-digit rates of inflation in recent years, the government of Argentina managed to inflate its peso at triple-digit rates. In the U.S., experts estimate that underground economic activity has risen to some 10 to 15 per cent of national income; in Argentina it is estimated to exceed 50 per cent. In the U.S., smuggling is limited by and large to the illicit importation of large quantities of narcotics and medicines; in Argentina it probably covers the whole range of moveable goods. In the U.S. political terrorism, which is the use of violence and intimidation to achieve political ends, led to 1313 bombings in 1975, killing 69 people and injuring 326. At the same time and for the same reason Argentina suffered the armed aggression of terrorism and Marxist guerrillas that killed more than 1,000 people and left scores injured and mutilated. It defended itself from an organized onslaught of international communism without the help of any friendly power.

Argentina, like so many other countries in the world, suffers from a puzzling discrepancy between economic potential and political reality. The country is graced with natural resources that surpass those of most other countries of the world. Its greatest asset is the economic spirit of the people, their will to win and their courage to work. But Ar-

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gentina also has become a synonym for political instability and government mismanagement. Since 1930 there have been more than 20 presidents, only two of whom completed their elected terms. Some were constitutionally elected, others appointed by military juntas. All contributed to the political disorder, to social factionalism and economic disintegration. Most recently, the junta waged a popular but ill-fated foreign war and, as if it were bent on suicide, reacted to the debacle by applying the most destructive policies conceivable.

European Roots

Argentina is by far the "most European" country in Latin America, with 97 per cent of the population of Spanish, Italian, British and German ethnic origin. Large-scale European immigration in the decades after 1880 reaffirmed the European ties, spurring modernization and development. European intellectual thought has had, and continues to have, a pervasive influence on Argentine political, social and economic life. The turbulent history of Argentina remains incoherent and perplexing unless it is related to European intellectual thought.

In its formative years Argentina, like Europe during the 19th century, was torn by conflicting philosophies on the nature of government and its constitution. Influential groups sought to establish a monarchical government until they were defeated by others who favored a republican form. Violent disagreement continued on whether it should be centralized or federal. The constitution of 1853, modeled mainly on the Constitution of the U.S., sought to forge a compromise between the two. But despite all the political conflict and strife, economic freedom prevailed throughout the country. With the aid of foreign capital and technology economic production expanded by leaps and bounds. Railroads were built, agriculture and commerce prospered, fostering a rising tide of immigration.

During the 1890s two new political parties, which were to play important roles in the future, derived great strength from the new Spanish and Italian immigrants. The Radical Civic Union, often called the Radical Party, appealed to all social classes for social reforms, especially on behalf of labor and labor unions. The Socialist Party, whose doctrinal roots were clearly Marxian, limited its appeal to a single class, the workers. It did not gain mass support even in its stronghold, Buenos Aires, until World War II.

The Radicals coming to power in 1916 conducted economic policies of far-reaching government intervention, which, in U.S. parlance, gave Argentina its "New Deal." It led to economic confusion and social up-

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heavals and fostered anti-democratic sentiment that was coming from abroad. During the 1920s Argentineans began to admire the Italy of Mussolini, the Spain of Primo de Rivera, even the Russia of Lenin. And the military sensed a new mission to regenerate the nation it thought debased by inept and corrupt parties and administrations. It struck in 1930. General José F. Uriburu, who had been converted to Fascist ideas, overthrew the Radical regime in a military coup. But lacking popular appeal and support by a large part of the army, he soon had to yield the reins of power to an elected conservative administration which conserved the New Deal and busied itself with full-employment and economic recovery measures.

The Peron Years

Recent Argentine history begins with Juan Domingo Peron who, in 1943, with a group of government officials and a military junta, overthrew the conservative government. Elected president in 1946, he set out on a course of nationalism, socialism, industrialization, and anti-U.S. agitation. He nationalized the banks, the railroads, and other utilities, and embarked upon public works on a large scale. He squandered the capital substance accumulated in the past and, upon its depletion, engaged in massive currency and credit expansion. He commanded the army, the police, the labor unions, and his Peronista party, which permitted him to dictate the political life of the nation. He eliminated most constitutional liberties, such as free speech and free press, and ruled supreme until he was overthrown by an army-navy revolt in 1955. Thereafter, the country oscillated between military juntas and elected governments that did little to dismantle the Peronist system. Peron returned to power in 1973, died in 1974, and was succeeded by his wife Isabel. In the face of widespread unemployment, severe shortages, riotous inflation, civil strife, and bloody raids and assassinations by terrorists, the military returned to power in 1976.

The War Against Terrorists

The bloodless coup of March 24, 1976, was welcomed by most Argentineans, living precariously between the terrorism and kidnappings of rural and urban guerrilla organizations and the fascist Alianza Anticommunista Argentina. "Death squads" were executing hundreds of their political enemies and threatening to kill more. The Marxist-Leninist Montoneros were kidnapping eminent bankers and industrialists, including several U.S. citizens, murdering them when blackmail demands remained unmet or releasing them for staggering ransoms. They even mounted major attacks against the army and

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its arsenals. During Isabel Peron's 21 months in office political violence was responsible for some 1700 deaths.

The primary goal of the new government was the eradication of terrorism and subversion. It established the death penalty for political murder and launched a massive campaign against guerrilla strongholds. By the end of 1978 it had crushed most terrorist forces and restored law and order throughout the country. The junta had earned the gratitude of nearly every Argentinean and was riding high in esteem and popularity.

International critics of the regime denounced the campaign against terrorism as a countercampaign of violence against individuals considered subversive, and pointed at evidence of torture and arbitrary arrest. In its first 12 months in office the junta was accused of having killed 2300 persons, held as many as 10,000 in prison for political reasons, and caused between 20,000 and 30,000 to disappear. The government promptly rejected the validity of these foreign reports, claiming that they were communist efforts to discredit it. It invited the Inter-America Commission on Human Rights of the Organization of American States (OAS) to investigate the allegations.

A Commission report was published in Argentina in 1980, and promptly rejected by the government for being "neither objective nor balanced." The official answer given by President Videla did not clarify the situation, but tried to explain the reasons for human rights violations: there has been a "civil war" and "all wars are dirty." His successor, General Viola, later clarified the junta position: as a basic condition for the restoration of a civilian government, there must be "no revision of what has happened during the fight against terrorism." His minister of the interior added bluntly that "no victorious army was ever asked to explain its behavior during a war."

Civilization Threatened

Objective observers who abhor violence in any form and by any party cannot escape the conclusion that political terrorism constitutes a declaration of war against society, which cannot exist without law and order. Terrorism, which is endangering the lives of countless people around the world, is more than unlawful activity by common criminals. It is a political movement that does not seek destruction for its own sake, but aims to destroy the private property order. It is organized communist aggression launched against the free world. If it is true that Western Civilization rests solidly on private property, then terrorism must be viewed as a war against civilization itself.

As the individual has the right of

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killing in self-defense, society has the right to wage war for its own preservation. But even if the terrorists violate all principles of virtue and commit heinous atrocities against humanity, the forces of law and order must not violate "due process," i.e., fair procedure as to life, liberty and property. They must defend society in a civilized manner and, as guardians of civilization, act beyond reproach.

An Economic Debacle

In 1978 the junta was riding high in public acclaim and respect. Having restored law and order, it now could set about the restoration of the economic foundation of social cooperation which had been shattered by years of senseless destruction. A basic choice had to be made: to pursue the Peronist system, making it work with military order and discipline—or restore the competitive private-property order that is working so well in other countries of the West. The generals are not political economists, but having endured the chaos and corruption of the Peron regimes, they seemed to opt almost instinctively for the private property order.

Three junta presidents have since struggled with the crippled economy. They reduced the number of state-owned enterprises by a few hundred, recast some labor legislation, and banned the political activity by the powerful labor confederation. Piece by piece they sought to whittle away the excesses of the Peronist system and restore some moderation. All along they, like so many of our politicians, were talking in glowing terms about an early return to private enterprise under government supervision.

The military was deeply convinced of its historic mission to lead the nation to regeneration after so many years of party corruption and ineptitude. There was to be no return to civilian rule before the 1990s. But "to strengthen future democratic institutions" President Videla established a *Ministry of Planning* which, in consultation with various economic and intellectual sectors, was to develop a "national reconstruction plan."

It would be difficult to distinguish the Videla plan of reconstruction from similar plans designed by Juan Peron, or for that matter, by any dictator anywhere in the world. It provides for more government planning, more ministries, more bureaus and bureaucrats, and more government power over the lives of individuals. His thought and language are those of Caesars who lack all understanding of the nature of freedom and a free society and who have lost all respect for humanity.

Surely, to facilitate a speedy economic recovery from the morass of radical government intervention is a difficult and demanding task. It

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would tax the ability and courage of any statesman and leader. But the Argentinian junta hardly made a beginning. In fact, it made matters worse by utterly destroying the Argentinian currency and by launching a disastrous war.

While the government was nibbling at labor unions because of their potential threat to junta power, it indulged in the worst inflationary practices seen in a generation. It doubled its quantity of money nearly every year and, in the end, enmeshed the economic lives of its people in the most stringent government controls. The exchange rate moved from 140 pesos to the dollar in 1976 to an estimated 15,000 to 1 in March 1982.

Incredible Ingenuity

Economic life in Argentina has never been more disrupted, distorted, and disorganized than it is today. If it were not for the incredible ingenuity and hard work of the Argentinian people who learned to survive on black markets and in the economic underground, using foreign money, especially U.S. dollars, human survival would be at stake. In the eyes of visitors from the U.S., the working people of Argentina are performing a miracle that deserves admiration.

The country is in the grip of its worst economic crisis in decades. Argentina has a record $39.1 billion of foreign debt and lacks the financial resources to meet the obligations falling due this year. The central bank is negotiating with foreign creditors seeking extensions and new loans to meet interest payments. In this respect Argentina has joined scores of underdeveloped countries in Africa and Asia.

The junta government has turned the Falkland Islands debacle into a national disaster more serious by far than that inflicted by the British troops. President Reynaldo Bignone, a retired army general, was named president on June 22 following a government shakeup. While maintaining the old nationalistic position toward the Falkland Islands, he abandoned all pretense of return to a market order. He dismissed the brilliant economist, Roberto Aleman, who was struggling to keep government expenditures under control, and appointed José Dagnino Pastore Economic Minister. Pastore promptly opened the floodgates of inflation, introduced multiple exchange rates, fixed interest rates, boosted all wages, and devalued the peso by 22 per cent. He thereby dashed all hopes for an early recovery.

The Falkland Islands War

War is a mad game some people love to play. It is nothing less than a temporary repeal of all reason and all principles of virtue. Surely, the

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Argentinian junta that ordered the military occupation of the Falkland Islands at the beginning of April reacted to a minor incident involving a small group of Argentinian workers on one of the islands. It reacted by landing a full-scale invasion and incorporating the islands into the Argentine state. But the junta completely misjudged the British reaction, which was swift and efficient in contrast to the Argentine military operation, which proved to be ill-planned, ill-prepared and ill-executed. The Argentine debacle illustrated again the old maxim that a military force that is preoccupied with running the political, social and economic affairs of a nation loses its ability to serve the purpose and justification for its existence.

The generals may have had urgent domestic reasons for their decision to occupy the islands. The country was sinking ever deeper into the morass of hyperinflation and economic disintegration caused by inept economic policies of successive junta presidents. The Peronistas and their labor unions were flexing their muscles, openly demonstrating against the military regime. Therefore, some diversion was needed to reunite the nation on a popular issue, and give the junta more time. President Leopoldo Galtieri gambled as a general—and lost.

It is especially sad that the junta adventure was applauded by the vast majority of the Argentine people. Even most intellectuals who otherwise observe and analyze Argentinian problems rather dispassionately, proudly acclaimed the return of "our Malvinas." Their arguments in support of invasion invariably were taken from history: Spanish sailors discovered the islands, and "we" are the legitimate heirs to Spanish sovereignty.

A court of law surely would need to investigate the succession of claims. But man's contemporary affairs are not shaped by distant history. In the name of history nearly every government may lay claim to foreign territory—the Spanish government to Argentina and the Roman City Government to Spain. Above all, the American Indian tribal chiefs may reclaim all the Americas, including Argentina.

A Claim Deeply Rooted in Nationalism and Collectivism

The popular notion that the Malvinas are "ours" reflects a deeply rooted blend of nationalism and collectivism. In no sense of the word can an Argentine citizen claim ownership rights over the property of the islands. Even if his government were to rule the islands, and he would be taxed heavily to sustain the rule, he would have no property rights whatever. But he would be poorer indeed.

Long before the invasion the Argentinian government was spending

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considerable funds taken from Argentinian taxpayers and inflation victims to subsidize the 1700 Falkland Islands' residents. It built an expensive runway at the Port Stanley airport, financed two weekly flights of big transport planes between the mainland and the islands, rendered airmail and air freight services, and installed an expensive radio system to guide the air traffic to and from the mainland.

But these expenditures were minuscule when compared with those the Argentinian government would have incurred if the islands had become Argentine. They can be surmised from the proposals submitted to the British government long before the invasion, billion dollar proposals that would have delivered the islanders into the grip of Argentine statism and socialism:

Establishment of a branch of the Banco de la Nación Argentina,
Establishment of a branch of the Caja Nacional de Ahorro y Seguro,
Financial support for housing construction by the Banco Hipotecario Nacional,
Establishment of fish breeding stations by the Argentine Ministry of Culture and Education,
Installation of a radio station,
Establishment of an oceanographic research station by the Universidad Nacional,
Installation of a satellite station,
Installation of a government telephone and telegraph service,
Installation of a government breeding farm, slaughter house and cold storage plant.

And as if to inject nationalistic linguistic conflict the government proposed to establish a bilingual school managed by the Ministry of Culture and Education, create a professional training center and a school of arts and crafts. All that for 1700 islanders! No friend of individual freedom anywhere would want to extend such a system to any part of the world.

A Flawed Arrangement

To many Argentineans the present island system is naked colonialism and imperialism that should be abolished immediately. Of course, the terms are taken directly from the armory of Marxism-Leninism and imply the extension of the labor-contract system to foreign countries. Although most governments and their UN delegates assembled in New York may disagree, the labor-contract market system constitutes the most productive system on earth, bringing forth the highest wage rates and levels of living. The alternative is a political command system that assures misery and poverty for all.

And yet, in the heat of debate it must not be overlooked that the Argentinian people have good reason for complaints about the Falkland government. Throughout its 149 years of administration it has con-

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sistently denied basic human rights to all people, except natives, which has been exceptionally painful to Argentineans. Argentineans are not free to move about the islands, own real property, buy or build farms, houses, apartments, hotels, office buildings, or sail and fish in the waters of the islands. They are treated as alien outcasts in a country they consider their own.

The Japanese who could not conquer Hawaii in World War II are free today to move about Hawaii, to own real property, to buy or build hotels, office buildings, apartments, and whatever their hearts desire. They do not have political rights, but enjoy basic human rights that make political rights irrelevant and immaterial. Even aliens who enter the U.S. illegally are guaranteed "due process" under the law. In fact, a recent Supreme Court decision extended all constitutional rights to illegal aliens. That is, no government can make or enforce any law which abridges the privileges or immunities of residents, nor can any government deprive any person of his liberty or property without due process, nor deny anyone the equal protection of the laws.

Basic Human Rights

If the citizens of Argentina were to enjoy such basic human rights in the Malvinas, all causes for alienation and conflict would disappear. The issue of sovereignty over the islands becomes unimportant where the basic rights of every human being, regardless of race or nationality, are safeguarded. Sovereignty does not matter where every individual can move about freely without government permit, license or visa, where he can freely exchange his goods and services, engage in a business of his choosing, sell his labor or buy labor, own land and structures, or cultivate the soil. To paraphrase the British philosopher, John Stuart Mill, he is free to pursue his own good, in his own way, so long as he does not attempt to deprive others of theirs or impede their efforts to obtain it.

To return to the prewar conditions in the Malvinas is to perpetuate the danger of conflict and deny the basis for a permanent and peaceful settlement. Self-determination is flawed where it aims at denying basic human rights to everyone but a privileged few. Self-government for 1700 islanders is neither democratic nor peaceful when it deprives millions of neighbors of their human rights and impedes their efforts to pursue their interests.

The solution to the Malvinas crisis cannot be found in a mere change of sovereignty, or a United Nations trusteeship, or a multinational force that guards and guarantees the islands' tranquility. Mrs. Thatcher's plan of some kind of elected self-gov-

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ernment for the islanders offers no lasting solution, nor does Argentine ambition of sovereignty which is state power. Lasting peace, which is the natural state of man and the desire of all the peoples, depends on a universal reduction of such powers. It springs from individual freedom.

Toward the Brink

Argentinian history, like any other national history, can only be understood as a history of ideas seeking realization through individual action. Political, social and economic ideas slowly filter into the minds and consciences of men and govern their actions. Ideas are men's great guideposts that lift civilization or destroy it.

The intellectual history of Argentina has been similar to that of all other Western countries. Toward the end of the 19th century, the media of education and communication, the schools, churches, and political parties were teaching and preaching the virtues of nationalism, which is devotion to the interests of the nation and its government. Later they added the doctrines and theories of socialism in all its variations and colors.

By the time the Radical Party came to power, in 1916, most Argentineans were espousing Marxian notions of dialectical materialism, of class conflict and class wars, of labor exploitation by businessmen and capitalists, of concentration and monopolization. A few years later many welcomed Lenin's line of thought about colonialism and imperialism. All classes of society, but especially the educated classes, were imbued with the urgent need of social and economic reform. Even those who passionately attacked world communism because of its atheism embraced the ideas of the Communist Manifesto and the program of the Communist International.

The generals, most of whom came from middle-class families, attended the same schools, belonged to the same churches, and were influenced by the same political parties as all their countrymen. Their social and economic views never differed one iota from those of others. Even their political faith in political salvation through strong leadership differed from that of party politicians only on the matter of who the savior was to be. They, too, believe in every point of the Communist Manifesto. When I interviewed the commanding general of the War Academy for senior officers, in April, 1982, he promptly rejected the suggestion of elementary courses in market economics and the private property order on grounds that "both sides must always be presented." In short, he felt at sea without mainstream economics, which is socialist, Peronist, and Marxist.

Knowledge and education are the only cure for the political, social and economic diseases the modern world

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has engendered. But people who do not know and cannot find the disease cannot develop a remedy. If they, as if to make matters worse, prevent others from searching, the disease may indeed become fatal. But this has been the Argentinian policy for more than half a century. Public education on all levels has been state education, that is, by the state, of the state and for the state. Competing private and parochial schools have been severely restricted, regulated, and often even outlawed.

All Parties Propose Government Educational Programs

The educational programs of the political parties reveal a sad state of intellectual affairs. The important Radical Party (UCR), which has been in power longer than any other party, is proposing to raise educational outlays to 25 per cent of the government budget. It would make government education obligatory through first years of high school. Private education would be controlled severely and diplomas and licenses be awarded only by government institutions.

The Democratic Socialist Party (PSD), too, would boost government expenditures for government education, limit degrees, titles and licenses to state universities, and make all teacher training and professional education the exclusive function of the state. It differs from the UCR program only in that it would emphasize sex education in all schools.

The Popular Christian Party (PPC) would raise government expenditures by 25 per cent, reshape the public educational system to the needs of the community, grant state subsidies to parochial education, and restrict or outlaw all profit-oriented education.

The Intransigent Party (PI), while advancing a similar program, would introduce higher education without budgetary restraint or limitation.

The Progressive Democratic Party (PDP) would raise government expenditures for government education to 4 per cent of GNP, build enough schools to cover all national needs, and use the mass media to offer civic education to the general public.

The Integration and Development Movement (MID) would "fortify" government education and promote national culture in order to strengthen national traditions. (Cf. Ricardo Zinn, *Argentina,* Robert Speller & Sons, N.Y., N.Y., 1979, p. 187–189.)

There is not one political party in Argentina that favors a free exchange of ideas or open competition between different educational systems. No eminent politician, general of the armed forces, or leading clergyman openly urges a repeal of countless strangling restrictions and bureaucratic controls over the edu-

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cation of the people. The few voices for individual freedom are drowned out by the deafening propaganda for statism and government omnipotence.

Argentina is hovering on the brink of political and economic disaster. One-third of the Argentinian electorate long for a return of Peronism, another third are eager to cast their votes for the Radical Party, and most others would lend their support to democratic socialism, Christian socialism, or even communism. But it would be a dreadful mistake to wallow in misery and despair. After all, Argentina is a Western society that springs from the roots of Judeo-Christian civilization, with divine sparks of irrepressible individualism. A few clear voices are heard throughout the land. No political force on earth can forever suppress those voices.

IDEAS ON LIBERTY

Government Intervention

IN A NATION without a thriving business community, private wealth is generally stored in vaults, or used in conspicuous consumption, or invested in real estate, or placed with business communities abroad. But where a country's private business is not subject to Procrustean measures of control, this private wealth is less likely to be shipped abroad, buried, or otherwise diverted into circuits of low economic potential. It is likely to come out of hiding, or to be brought home from abroad, particularly since the prospects of profit are normally higher in a poor country if the political environment is good.

Private enterprise never expires, even under the most rigid controls. But much of it goes to surreptitiously conducting the current of economic energy under, round, and through the backdoor of the control system, in such forms as smuggling, black marketing, personal influence, and straight corruption.

The fact that a high degree of control, and a low rate of energy flow, occur together, is explained by Socialistic governments as necessary but temporary. The low energy flow, they say, requires controls so that what little there is shall not be wasted. But it does not seem likely to be temporary. The converse side of a Five-Year Program for planned growth is five prospective years of economic repression. The more the state plans, the less practice the private citizen gets in planning.

HAROLD M. FLEMING, *States, Contracts and Progress*

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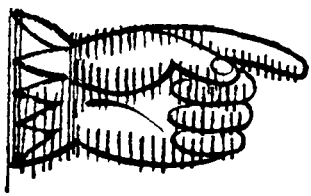
Robert James Bidinotto



A Guide to Principled Self-Defense

A FRIEND approached me recently, concerned about a course he was taking that was being taught by a Marxist. My friend had been assigned a speech topic: "Who should own/control the workplace?"

My friend accepts the free market philosophy, and knew of my special interest in such issues. He wondered if I had any information that might help him prepare a talk.

A week or two later I gave him a written analysis of the question. He seemed somewhat astonished at its seeming complexity, and intimated that he felt inadequate to achieve similar results on his own. He suggested that since I had read more than he had on such topics, I had a specialized knowledge he could not match.

This got me thinking. Actually, most of my argument had rested not upon vast scholarship, but upon a reasoned analysis of the question itself. Certainly a knowledge of the free market literature is extremely valuable. But while some might have the time and inclination to acquire such an education, most busy people do not; and some, such as my friend, are inclined toward individualism and capitalism based upon limited reading, general experience, and "common sense." These people feel vulnerable to technical arguments from collectivists who are educated specialists in the humanities.

Can an engineer, housewife, or computer operator effectively defend himself against professors of economics, political science, and philosophy? Can the individualist layman hope to hold his own against the collectivist professional?

If successful intellectual self-de-

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fense depended upon education alone, the amateur would always be a pushover for the professional. But all of us share the capacity to reason. No matter how well informed a collectivist may be, his doctrine remains irrational; so no matter what the relative scales of knowledge, the individualist need not be overwhelmed by a collectivist opponent—*if* he employs valid principles of thinking.

It is not possible to discuss all such principles here. So I shall discuss just a few, then illustrate how I applied them to my friend's speech topic: "Who should own/control the workplace?"

1. Define your terms.

It is astonishing how many discussions are based upon concepts whose meaning nobody bothers to specify. Most people *literally* "don't know what they're talking about." Their concepts—the building blocks of every statement—are left open to implication.

Politicians are especially guilty of this, since their careers are erected upon a foundation of ambiguity. A classic relic in their verbal collections is "the public interest." Specifying nothing, it permits anything.

One of the best defenses against being steamrollered is to require an opponent to define his terms. A good definition distinguishes a concept from all others, by (1) identifying the *factual basis* of the abstraction, (2) specifying the *context* in which it arises or applies, and (3) naming the *essentials,* the fundamental characteristic(s), upon which most of the concept's other characteristics depend.[1] For example, a good definition of "justice" is: the act of evaluating human character and/or actions solely on the basis of factual evidence, by reference to an objective moral standard. This states precisely the referents, context, and fundamental essence of "justice" and thereby distinguishes it from any other virtue, such as "honesty" (which is not limited to character evaluation, i.e., a social context).

Since facts, context, and fundamentals are the very elements absent from collectivist doctrines, the act of defining terms may be sufficient to demolish most arguments based upon these doctrines.

2. Determine the context.

Is the discussion about politics, economics, or philosophy? Does it concern factual knowledge (cognitive concepts) or evaluations of facts (normative concepts)? Is it a fundamental issue, or does it rest upon some more basic, implied premise that must be addressed first (i.e., does it involve "question begging")? One must determine the *context* of the discussion by answering such questions as these.

In cognitive issues, conclusions

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depend entirely upon logical progression from established facts. The chief responsibility is to determine the relevant facts, then to reason from them, admitting no logical contradictions.

Normative issues are built upon cognitive concepts. The tipoff to any normative or ethical issue lies in its (implicit or explicit) advocacy of some action or choice; frequently, normative premises signal their presence in a discussion by the words "should" or "ought" ("There ought to be a law . . ."). There is nothing wrong with ethical advocacy as such. The danger begins when ostensibly political or economic debates "beg the question" of a moral standard, as they almost always do. The reason is that political discussions are, at root, discussions of social ethics; and most people are either unwilling or unable to specify and justify their underlying moral premises.

Ethical arguments—open or disguised—must be identified and validated. This means they must be tied to basic facts of human nature and of man's basic relationship to existence. This is true of any alleged "political" question which involves advocacy of some action that "should" or "should not" be taken. No advocacy position can be taken seriously that evades the answers to the questions: "By what standard?" and "For what purpose?" Failing an intelligible response to these questions, a person's position may be dismissed out of hand, as an arbitrary assertion.

Unless the context of discussion is clearly established, it will be impossible to know which principles can be applied to resolve the issues involved.

3. Establish the burden of proof. Once definitions and context are determined, the burden of proof can be established. That burden always rests with the person asserting or advocating something (the person "taking the positive"). The person to whom an opinion is merely asserted, without sufficient evidence and proof, is under no obligation to demonstrate or disprove anything: nobody is obligated to "disprove" an arbitrary assertion ("prove a negative").

Whoever is making the case, whether collectivist or individualist, bears the burden of proof. Since answering a question usually requires an asserted position from the person answering, *he* assumes the burden of proof. Thus in any discussion with a knowledgeable adversary, it is wise to follow the example of Socrates and ask a lot of questions.

Two excellent questions are: "What do you mean?" and "Why?" The first forces an opponent to *clarify* his terms; the second forces him to *justify* his position. Both, used repeatedly, can reduce a vague discussion to clear-cut essentials while keeping

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an opponent under the burden of proof.

4. Beware of smuggled-in "contradictions in terms."

One of the most prevalent and least understood logical fallacies consists of using concepts while denying their very roots and meanings.[2]

A classic political example is Proudhon's infamous statement that "property is theft." Observe that the word theft has meaning only if there *is* a legitimate concept of property: "theft" *means* "the forcible acquisition of somebody else's legitimate property." *If there is no property, there can be no theft!* Thus Proudhon's statement is a contradiction in terms. The concept "property" is smuggled into the meaning of the concept "theft," while Proudhon denies that property even exists.

Such sophistry has become a standby technique in philosophy discussions. If an opponent finds himself losing a debate, he may frequently challenge the very *grounds* of debate, proof, and even thought itself. There are many modern philosophical doctrines that claim to "know" that knowledge is impossible, that claim to "disprove" the validity of logical proof, that deny the "reality" of existence, that claim no "awareness" of consciousness, that "reason" to the conclusion that rationality is an illusion, and so on. Every such assault on the foundations of knowledge and rational debate entail smuggled-in "contradictions in terms": they utilize the concepts they are denying.

And such assaults are also *self-inclusive,* i.e., they must include the person stating them. To argue against reason, logic, existence, awareness, and knowledge, means: to concede that oneself and one's position are devoid of any of these things.

All concepts and principles are structured in a hierarchy. Make sure that an educated opponent's flowery prose does not bloom while he yanks up its roots.

5. Demand logical consistency.

If concepts are the building blocks of thought, logic is its mortar. All arguments must be grounded in established facts; and every conclusion must grow from these roots without contradiction. This is what we mean when we say: "Prove it!"

Contrary to current academic fad, logic is not some arbitrary system of rules unconnected to fact. It is based in the very nature of reality. All things exist in a specific, particular way. And because things have a specific nature and identity, they cannot have a contrary identity at the same time. The system of logic defined by Aristotle is built upon the non-contradictory identification of things. To admit contradictions into discussions is to claim the impossi-

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ble, and thus to invalidate one's conclusions.

The ubiquity of irrational political and economic ideas is largely due to the fact that while *they* are required subjects in schools, *logic* is not. A good book on Aristotelian logic is a must for anyone serious about principled self-defense.

In discussions, the basic approach is to take the opponent's premise to its logical conclusion, or to regress his conclusions back to their logically antecedent premises. In so doing, any follies should become apparent.

To summarize the principles:

1. Define your terms.
2. Determine the context.
3. Establish the burden of proof.
4. Beware of smuggled-in "contradictions in terms."
5. Demand logical consistency.

How do these principles apply to my friend's classroom topic, "Who should own/control the workplace?"

The first thing I noticed was that the question was "loaded" with smuggled-in premises and assumptions.

The word "Who" implies that "the workplace" is up for grabs—that no legitimate owner exists. This begs a question, thereby implying an equal *burden of proof* upon both supporters and opponents of private ownership rights. Observe what happens when the begged question is asked: "Should there be any changes in current ownership of the workplace?" Now the burden is upon those who would advocate such changes. But to accept the question as worded by the Marxist professor is to accept the smuggled-in premise that current ownership rights are dubious, and to assume (unnecessarily) some burden of proof.

Secondly, the word "should" is a tipoff to a *normative (ethical) context,* while the topic appears, superficially, to deal with a political or economic question. Because of today's ethical relativism and the absence of any agreed-upon morality, it is likely that *no answer is going to be accepted as final.* The purpose of asking such a question, then, seems to be to spread doubt and uncertainty about current ownership rights to "the workplace." This is all accomplished by begging the question: "By what moral standard can issues of ownership be resolved?"—which helps disguise the essentially ethical context involved.

Thirdly, observe the interesting usages of the concepts "own" and "workplace." "Own" (when defined) means "the exclusive right to keep, use, and dispose of something." Yet, as we have already seen, the question itself implies that such an exclusive right to keep "the workplace" under control of its current owners is in doubt. Translated, the question means: "Since the exclusive right to own the workplace is in

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question, who should own the workplace?" The Marxist professor is using the concept "own" while questioning its validity. (A clue that even he grasps what he is doing lies in his inclusion of the modifier or alternative concept, "control." But everything I have said about the word "own" is true of the word "control.") It is a smuggled-in "contradiction in terms"—and a most subtle example at that.

As for the term "workplace," it is an ambiguity or euphemism for the concept "capital."

Now consider the question. If it means: "Who *should* own the capital?"—the meaning is utterly trivial (Answer: "Those who own it"—ownership being a *moral* claim of right). If it means: "Who is morally entitled to capital to which some men already hold moral title?"—the meaning, and the point, is utterly absent. If the question means: "Who should *take* the capital?"—the meaning is utterly clear, and utterly sinister. Remembering that the word "should" is a moral concept, and the idea of taking something from an owner (theft) is an immoral notion, the last interpretation is another smuggled-in "contradiction in terms." But supporting speculation that this is an accurate interpretation of the professor's question is the fact that he is a Marxist.

In fact, the *only* intelligible meaning of the question is that all currently held private capital is up for grabs, and "should" be redistributed on (unspecified) moral grounds.

That six words can beg several questions, obliterate the burden of proof, leave terms ambiguous, use a concept self-contradictorily, and sneak implied moral premises into an ostensibly political-economic issue, is a marvelous achievement of some sort.

Notice that the foregoing analysis involves no specialized political or economic knowledge, yet is sufficient to deal with the professor's question. But knowing that the professor might pretend that all of this somehow "ducked the issue," I proceeded to employ a strictly logical analysis on the collectivist position as if the question *could* be taken at face value. Let us assume that capital *is* up for grabs, and that our (unspecified) moral standard behind the "should" is the collectivist "general welfare." Would a change of capital ownership promote "the general welfare"?

This switches the argument to an *economic context*. Any proposed solution to the question that would deny private capitalists the right to own and invest capital would make economic calculation impossible, thereby creating an economic chaos that would undermine the "general welfare." Why?

Human well-being is only possible if the economy fills human needs.

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And this necessitates economic calculation: the purposeful production of goods and services to fulfill consumer demand. Economic calculation is only made possible by prices—the signals established by the interaction of the forces of supply and demand, in terms of money. The means by which these forces interact is competition in the marketplace. The competitors are entrepreneurs, who struggle to control the factors of production, in accordance with consumer demand. This means they must produce and market what they hope will bring the best return (profit) on their invested (risked) capital. But profit-seeking can only occur in the context of private ownership of capital.

Without private ownership, there is no profit motive; hence, no investment; hence, no competition; hence, no prices; and hence, no possibility of rational economic calculation. This would create chaos and the harm of "the general welfare."

Without prices, the factors of production must be allocated by decree, i.e., by political instead of economic considerations. Supply and demand forces can no longer interplay; production is severed from consumption. This means overproduction of the unwanted, and shortages of the needed. There is simply no way to duplicate the complexity of the automatic signaling system of market prices; but without private capital ownership, competition does not arise to establish prices, and that system breaks down.[3]

Thus the contradiction in collectivism is that *collectivist politics* (public ownership or control of capital/"the workplace") necessarily contradicts *collectivist economics* (maximizing "the general welfare").

The foregoing economic discussion illustrates how one might proceed with a strictly "cognitive" issue. While some basic knowledge of economic principles was required, exhaustive erudition was not: merely a clear grasp of the *hierarchy* of the relevant concepts and principles.

The Great Equalizer

In the early days of America, the most urgent need was for some means of *physical* self-defense for the average man, and the revolver was regarded as "the great equalizer" of men. But today, men need the means of *intellectual* self-defense even more urgently. And the principled man's guide to self-defense—his "great equalizer"—is his power to reason.

—FOOTNOTES—

[1]For a most useful discussion of how to define concepts, see Ayn Rand, *Introduction to Objectivist Epistemology* (New York: Mentor/New American Library, 1979).

[2]Described elsewhere as "the stolen concept." *Ibid.*, Chapter 6.

[3]This argument was formulated by Ludwig von Mises. See *Socialism* (London: Jonathan Cape: Revised, 1951), pp. 520-1.

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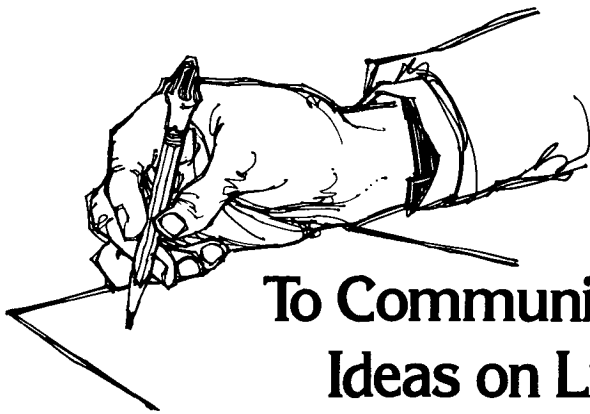
Ernest G. Ross



To Communicate Ideas on Liberty

THERE'S an old, obscure saying attributed to an Oregon backwoodsman, who, after listening to a flowery speech by a stumping politician, remarked, "I think I'd've agreed with him if I knew what he said!"

When confronted with new ideas, most people are like that backwoodsman. They will accept concepts only if they are sure of them. If not, they will continue to hold their old ones—even if they are wrong. In a way, you can't blame them. One should not make it a habit of accepting ideas he does not fully understand. To do so prevents the development of any sort of integrated world view, turning one's mind into an intellectual feather, forever buffeted by the winds of fashion and accident. While there are always those who find such a flighty mental state attractive, the majority of Americans do not. They want to anchor their lives to solid ideas. Consequently, they will not pull up anchor and drop it in a new location unless the new location is convincingly more secure.

Above any other, *this* is the attitude advocates of liberty must be prepared to deal with. It is the paramount obstacle to be overcome if one is to sell people on the benefits of freedom.

Therefore, if one is to persuade people of the value of freedom, the first rule must be: *address issues as clearly and cleanly as possible.*

There is no way you will be an effective communicator of liberty—especially to laymen—unless you can put your own ideas into either spo-

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ken or written language straightforwardly and unambiguously. If *you* can't state your own views clearly, how can you rationally expect someone else to understand them, much less accept them? If you can't clearly state what you mean, others will assume you *don't know* what you mean—or worse, are trying to fool them. In either case, by using confusing language, you undercut others' confidence in you. That makes it even more difficult to gain their attention in the future.

Of course, it is easier to *tell* people to speak clearly than it is to do it. To do it, and do it well, some simple but crucial guidelines are needed. You must have *standards* of clarity, standards by which you can objectively judge your own statements *before* you present them to others. This will help you eliminate embarrassing errors and pitfalls.

Four Rules of Clarity

The first rule of clarity in communication is *clarity of thought.* You will never be able to state anything well if you haven't spent some time thinking about it. And the most important guideline for obtaining the clear, crisp thoughts that will eventually translate into clear, crisp statements is this: Always ask yourself, "What is the *essence* of what I'm trying to say about this subject?" Using this guideline forces your mind to focus.

Focus enables you to weed out those things which are peripheral or irrelevant to the subject matter. This, in turn, gives your thoughts and statements much more efficiency. Side issues and irrelevancies are like nicks and dull spots on a knife blade; a sharp knife always cuts better. If you're going to try to persuade someone on the virtues of deregulation, for example, keep your thoughts focused on that subject; don't wander off into a diatribe on Aristotle's ethics or taking sarcastic pot shots at political opponents—those are subjects deserving their *own* arena.

The second rule of clarity in persuasion is to *write and speak simply.* Thoughts simply put are more likely to be absorbed. The human mind is an integrating organ; it must put things together one step at a time. Simply-stated thoughts help the mind to do this, presenting neat little mental "bites" that can be easily taken in and swallowed.

The third rule of clarity in communication follows directly from the second: *Present your ideas as logically, as non-contradictorily as possible.* If your readership or audience is at all perceptive, contradictions are like a rancid odor on food for thought. If those to whom you are appealing smell a contradiction, they will very likely immediately stop swallowing your arguments. It is as natural for the mind as it is for the body to balk at the smell of contaminated ma-

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terial. Succinctly put, in trying to persuade people of the benefits of freedom, don't use arguments which advocate premises or means which undercut freedom.

The fourth rule of clarity derives from the close relationship between thinking and words: *Write down your thoughts as often as you can—make it a habit.* As the great communicator, Jacques Barzun, once said, "the act of writing is itself an exercise of thought." (*Simple & Direct,* Harper and Row, 1975, p. 118) Writing things down will help you put your thoughts into order in a way impossible by mere reflection. As Barzun put it, as your thoughts are written down and "are added, one by one, they will so clearly show up gaps, inconsistencies, confusions in the *sequence* of thoughts—all quite hidden before you wrote—that you will inevitably come to see how writing is an instrument of thought."

Of my four rules of clarity, this has perhaps been the most difficult one to convince people to follow, especially those who are not professional writers. But the fact is, *any* advocate of liberty—anyone who intends to be an active communicator on behalf of liberty, whether he is a layman or professional in another field—will find writing to be a sure way of sharpening the knife-edge of his thoughts, and thereby enhance his abilities of persuasion. The best argument I can give to encourage people to get into this valuable habit is this: Words are *objectified* thoughts, thoughts brought into permanent form and laid bare for you to see, whenever you wish, *exactly* as they were when you first came up with them.

Using Examples and Analogies

As smart as we humans are, we cannot hold more than a few items in conscious awareness at any one time; and we forget a lot. Writing out your thoughts helps to overcome these limitations. By putting thoughts to paper, our minds are freed to concentrate on new thoughts—without the fear of losing old ones. It enables us to locate, and rapidly explore, the nooks and crannies and side-tunnels of previous thoughts—and thereby examine, compare, unify, and improve them. Writing out your thoughts on liberty—even if no one else ever reads them—will make you a more effective communicator with friends, acquaintances, business associates, politicians, and anyone else you might wish to influence.

While clarity is the cardinal rule of effective communication, there are other major tools which the advocate of ideas on liberty ought to use:

Factual examples. It has been said that nothing persuades like the truth. I would refine that statement to read, "Nothing persuades like the truth—backed by concrete examples." If you

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wish to advocate the truth that lower taxes enhance the freedom of the individual, for instance, show specifically how this works. You might, perhaps, list all of the things a family could buy—video tape decks, books, better schooling for the children, new furniture, works of art, higher quality food, more clothing—with the money it would save from a thousand-dollar tax reduction. Concretizing the truth *brings it home* to people, turning an otherwise abstract statement into a living, breathing reality. People do, after all, live in the real world; you must show them how principles of liberty are specifically applied in their world.

Analogies. An analogy is an illustration of how something works or looks by showing how it is similar to something else. For instance, Isabel Paterson wrote an entire book (*The God of the Machine*) showing how similar the workings of a free society are to the workings of different kinds of machines. An analogy in this vein would be: Just as a car can only continue to run if it has an open fuel line and will roll to a stop if the line is blocked, so a market can continue to run only if its trading remains free and open and will come to a stop if trade is blocked.

You can make the analogy shorter by using similes and metaphors. A simile would be: When freedom was curtailed, the market rolled to a stop like a car with a blocked fuel line. A metaphor would be: The market was a car, rolling to a stop, its fuel line of freedom blocked. Similes use "like" or "as" to make the point; metaphors are more poetic, saying that something is or was something else, even though it's obvious it is really not that thing.

The reason analogies are good, basic tools of persuasion is because they tie something unfamiliar to something familiar by showing their similarities. Again, as with factual examples, analogies bring the point or principle into the real world.

The Optimism Factor

And now a word about something you won't find in most "how to" books on effective communication. It is an idea tailored specifically for the purpose of selling liberty. From my experience in writing thousands of radio commentaries on liberty, I consider this one of *the* great overlooked devices of effective communication and persuasion.

I call it *The Optimism Factor.*

The optimism factor appeals to people's desire to improve their condition in life. They will listen to someone who can tell them that. The optimism factor also appeals to people's desire to look up to something—especially to achievement and what makes it possible.

To take advantage of the optimism factor, you must, quite simply, look for and collect success stories—

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stories of the success of freedom. These stories then become a powerful portfolio with which to illustrate the concrete benefits of liberty. Items in the portfolio can become a special classification of factual examples which inspire, spur, and stimulate your readership or audience.

As a whole, I personally believe that speakers and writers on liberty dwell too much on the bad effects of statism (the political system opposite liberty). Certainly, there is a place for detailing the horrors of circumvented freedom. But as someone once said, fear is a poor motivator—especially for Americans. The American spirit looks upward and forward; it is a positive spirit. Americans like to hear about *how to make things right.* They will acknowledge horror stories you might tell them about systems which abrogate freedom, but then they will want to know how freedom can do a better job. If you can tell them this—with optimistic, factual illustrations—you will take a giant step toward winning your case and their minds.

The power of certainty. This is the last of the major points with which I wish to leave you in this thumbnail sketch on effective communication.

If you are going to persuade other people of the value of liberty, you must act, speak, and write as though you are already firmly convinced of its value. Naturally, the indisputable prerequisite here is that you *are* convinced! But, you must also strongly *convey* this to others. You must be confident in your approach, otherwise, in ways both subtle and overt, you will surely give the person you're trying to persuade the impression that you harbor doubts about your own position. That is disastrous to persuasion. If your listener or reader does not think you firmly believe in what you're saying, he'll automatically question either your sincerity or the quality of your ideas and evidence.

Speak with Conviction

So, how do you convey certainty? There are several ways.

First, *know your case;* knowledge is the best promoter of certainty.

Second, *don't equivocate with language;* make your words ring with directness.

Third, and too often by-passed, *speak in the active voice,* rather than the passive. Say, "I believe this," rather than, "This is believed by me." (When you use the active voice, you always give the impression of moving forward; the passive voice connotes retreat and even reluctance to assign or take on responsibility.)

Fourth, when speaking, *practice* (into a tape recorder if possible) *saying things firmly,* in a strong, assertive (but *not* belligerent or strident) tone. If you are going to do a lot of verbal communication, this speaking practice will be very valuable.

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People read a lot into voices. Whether you are born with a good voice or not is irrelevant; people are less concerned about the esthetics of your voice than with the certainty of conviction behind it. You can and should develop this sound if you will be doing much speaking, especially public speaking. Points presented in a weak, hesitant, or passive manner are points just as well never made; they will simply not be respected nine times out of ten.

And finally, one of the best ways of conveying certainty is to *practice speaking up.* This is most applicable to that kind of communication in which we all find ourselves engaged throughout our lives: personal conversations, direct "one-on-one" communication at parties, business meetings, conventions, seminars, and so forth. Make it a habit of not letting attacks on liberty slip by. If you disagree with someone, say so. If you do this regularly you will create a deserved reputation as a person "who knows his own mind." This will gain you respect as a communicator of liberty; you will be building a track record of conveying certainty, a record which will carry over into future efforts of persuasion.

Know whom you are addressing. This does *not* mean you have to have detailed knowledge of everything about everyone you address—it means only that you should be careful to write or speak in ways you know are likely to be accepted by the listener or reader given his general background. For example, don't use metaphysical technical terms with an audience of lumberjacks, or, conversely, backwoods language when addressing a distinguished group of philosophers. Don't use examples, language or anything else likely to be outside the experience of your audience or readership. Above all, *always* assume that your audience is intelligent; talking down to people is a communication killer!

Know Your Audience

One more word on this subject. When I say to write or speak in ways likely to be accepted by those you address, I do not ever mean to suggest that you should compromise your principles—I simply mean that you are better off not ignoring the cultural, professional, or educational make-up of your audience or readers. It means to retain an awareness of (to use a currently popular parlance) where those you address are coming from—for it is only by starting from where they *are* that you will be able to lead them, through effective communication, to where you want them to *be.*

There are many other, more detailed or specialized points about effective communication and persuasion. But they are basically matters of "fine tuning" the fundamentals outlined in the preceding pages. One

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could talk about tone, diction, the composition of outlines of articles and speeches, the use of visual aids of various kinds, and so forth. But the purpose of a thumbnail sketch is to provide a *handy* guide dealing with the things *most* needed. Without clarity of thought and word, without attention to logic, without the use of factual examples and analogies, without the optimism factor or the power of certainty and an awareness of those you address, all of the fine tuning in the world won't help you to communicate your case for liberty.

Much in the way of fine tuning can be ignored without fundamentally impairing your persuasive efforts; it is the *essentials* of communication which will, when ignored or forgotten, be most likely to cause your efforts to fail. So, stick first to the essentials; they will make you into a much stronger advocate of liberty—which is, after all, a cause eminently deserving a strong presentation!

IDEAS ON LIBERTY

The Personal Practice of Freedom

You can practice what you profess to believe. There never was a salesman who really went to town if he didn't believe in his product enough to use it himself. You can't sell Fords effectively if you ride up to see your prospect in a Chevrolet. You can't sell Camels convincingly with a package of Chesterfields sticking out of your pocket.

Your friends and acquaintances may not always believe what you say, but none will question for one moment the fact that your personal conduct and consistent personal practices speak the truth as you see it. You cannot convince your neighbor by word of mouth that you are a believer in temperance if he sees you staggering around your house each Saturday night. You cannot convince him that you are in favor of government economy and then sign resolutions calling for federal funds with which to build your town a bathing beach or even a hospital. You cannot convince him that you believe in economic freedom and independence for the individual and then ask that Washington underwrite your personal or business risks.

The first step, then, is to make certain that we actually believe in this thing. We have got to want it enough to practice it personally. If not, the answer is already given as far as we are concerned.

ED LIPSCOMB

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Robert LeFevre

THE ABSTRACT CONCEPT OF HUMAN LIBERTY

WHEN it comes to using their brains, people fall into various classifications depending on their respective interests.

By far, the majority think and talk about people, themselves and others. The focus may range from behavioral examination all the way to gossip. The topic of humanity, either individually or in groups, is fascinating to most of us and to some will generate so much interest as to preclude inquiry at any other level.

In a number of instances, however, the events which are promulgated by human beings become a separate level of interest, thinking and discussion. The focus shifts to a degree and human happenings provide a stage for concentration and inquiry. The various news media concentrate at these two levels. Most of what we hear about and remain aware of in our day-to-day lives moves at the level of people or events.

Here and there, a different level appears. It is neither "higher" nor "lower" than the stratum of events but it is different and distinct from it. This is the fascination many find in material things, almost as though they were entities in themselves.

It is the miser who is so interested in coins that he cannot bear to spend them. Rather, he hoards them all, running avid fingers through them and adoring them as though they were members of his personal harem. It is the engineer, who is so captured by electronic gadgetry, for example, that he can think and talk of little else. It isn't what the gadgets could do that seizes his attention, it is their existence, per se. It is often the artist who sees in his creations, or at

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times, in the creations of others, the be-all and the end-all of human purpose. People and events may come and go, but artistic creation goes on forever. Whether the musician, the sculptor, or the painter is considered, there is a magnetic pull from the works themselves. The only event worth chronicling is the creation of more music, statuary or pictures. The only person worth knowing is he who forms the new.

Most human beings, I may presume, have at least a passing interest in all three strata, but find themselves increasingly drawn to one of them. They are caught up with people, with events or with things, singly or in combination.

But there is a fourth tier of interest, and in consequence, a fourth tier of thought.

In the Realm of Ideas

There is a small remnant of mankind who are concerned with the abstract. It is in the realm of ideas that their minds flourish and reach fulfillment. While most ask about the *who,* the *when,* the *what* and the *where,* those who are lured by ideas themselves are challenged and inspired by the *why* and sometimes by the *how.*

It would be a vain conceit to refer to this meager few as an elitist group, for that provides elevation which may not be deserved. Plato would have been a member, yet his views of the ideal society and perfect justice may be the source of many of mankind's ills. Karl Marx was clearly inspired by ideas and so was Hegel. It would hardly be fitting to award the former with elitist status, and the latter was often so obscure in what he wrote that it has been said that Hegel himself did not understand the ideas with which he labored.

If one may take up boldness with both hands, it might even be pointed out that the greatness of the Christian faith is to be found, not so much in the events reportedly surrounding the dramatic life of its originator, but in the ideas set forth.

The vast numbers of humanity do not deal with those ideas. They are captivated by events and personalities. So, with the passing of time, the church and its symbolism, its great art and its inspirational music receive what attention there is and the simple messages, such as "love thy neighbor as thyself," are either forgotten altogether or spurned as nonsense. Who believes that? We have to be practical. Let the government do the loving, I'll take whatever I can get!

Minds Wasted

The human mind, as we are told repeatedly, is a dreadful thing to waste. I am sorry to say that the potential mental power we could be generating is often shunted onto a

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siding by reason of the direction given to education in our school system. I do not charge conspiracy. But it almost seems that conscious effort is behind what is going on.

The national educational edifice, not yet a state monopoly, gives every possible encouragement to on-the-job training, rarely mentioning the thinking that should be occurring both on and off the job.

The government encourages us all to jog. It is a dandy way to encourage a kind of euphoria in which the mind goes into neutral and we improve our health. Surely, anyone who owns slaves would seek to engender the same result. If slaves are physically healthy and innocent of thought they are more readily made to work and to produce for their masters.

This emphasis upon getting a job accompanied by encouragement to go jogging, is not an evil in itself. But, in process, we are becoming a nation only half alert. The country is filled with technicians, athletes, artists and artisans so specialized that it rarely occurs to them that their specialty might become obsolete and they will have to fend for themselves. They presume that the job must be found to accommodate their specialty; they do not fit themselves, the job must be tailored to fit them.

Aside from their respective specialties, all have become spectators. We are "laid back," almost in repose, except when prodded.

Never has a people existed which knows so much, and understands so little.

How Fares Freedom?

With this melancholy view as background, what is the status of freedom in the United States? It is clear that the grip each individual should have over the products of his own labor is gradually slipping over the last knot in the dangling rope.

We still look good insofar as speech and press are concerned, if we compare our situation with conditions abroad in most countries. But economic freedom is almost a thing of the past. The regulators bestride our affairs like the Colossus of Rhodes and few can make reasonable calculations for no one knows what the government will do next.

What of freedom? Unhappily, it seems to me that there are few who support it for its own sake. The vast number of those speaking up for freedom appear to have a clone mentality. They like to list themselves as supporters of liberty because they admire other individuals who are already so recognized and wish to be like them. "If it's good enough for ____, it's good enough for me." To understand ideas is to cope with abstractions. But those who function at the level of people-interest rarely take the time to comprehend what freedom is all about.

They understand the broken body

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of a war-victim carried from some battlefield. They know that person has had his freedom violated. They can tell. They see the blood.

But they do not see into the heart of their neighbor, who, by tireless effort, great personal restraint and long years of rigid self-discipline has brought a business into existence. They do not recognize his loss of freedom when he is set upon by agents, attacked in the press, brought to trial, ridiculed and smeared before his peers for some ex-post-facto failure, such as "excessive" smoke emission. At the time the business was built science hadn't decided that smoke was all that bad.

Now he will be fined, pilloried as a vicious, greedy exploiter. He may lose his business. Or, he may manage to survive by plunging into debt from which he might never emerge.

What was his crime? Providing a good that people voluntarily purchased and, in process, keeping the cost within reason so his customers could benefit by the best then known.

A Concern for Power

Who knows about his loss of freedom? Those impressed by personalities are rarely moved. And few are more fickle. Reputation is built by the adoring masses who think and talk at people-to-people level. And let one cloud of suspicious circumstance arise and their heads pivot like the dandelion turning toward the sun seeking some new personality-idol on whom to throw their latest cloak of fame. Such thinking provides no spine for freedom lovers. They see no principles. Popularity and prestige provide the single lure.

What is the status of those interested in events within a freedom context? These are the lovers of excitement and their natural arena is politics. Their concept of abstractions is often limited to Machiavellian maneuvering and back door diplomacy. Those concerned with events are most likely to decry the merit of any principle. "Promise them anything, but *win*," seems to be the universal clamor.

And, having won, what then? Why, then they must keep on winning. Those interested in events are interested in power. And once power is obtained, it must be forever kept and always enlarged and extended.

Those who think at this level clearly see the loss of freedom we all experience when other hands than theirs are on the tiller of the ship of state. "Give us the scepter!" they cry. "We will throw out those rascals and provide a government which will *enforce* freedom. We will reward the just and punish the unjust! Only those of us who understand freedom can be entrusted with the power to impose our wills upon all by force. The taxes we levy will be rightful taxes. The regulations we impose will be only for the good of Society."

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At this level, freedom and victory are equated. The positions of the serf and the master of the serfs are justified. Each has what he deserves.

Focus on Money and Profits

What of those who find fascination of things uppermost in their minds as they consider freedom? Ordinarily, the fascination here tends to centralize and focus on the question of money. Freedom becomes important because it means profits. Those thinking at this level usually forget that a free market has its merit because the customer is king. And, as customers rule, it is customer choice that finally determines who will profit and who will lose. A free market is a profit and loss system, with only the customers making the final decision.

In short, if one is free, one will have more money with which to buy more things with which to get more money. Here are often found those businessmen who speak from both sides of their mouths. They favor a free market until they face effective competition. Immediately, they clamor for protection against the dollar losses which will now accrue to them. The important item in their thinking is the dollars to be gained rather than the importance of *deserving* those dollars.

In fine, it seems to me that only that remnant which has taken the time to study freedom as an abstraction, as a body of thought, has any real comprehension of what it is all about. This group, by the very nature of the human mind, will in the foreseeable future be scant of numbers.

These are the thinkers who recognize that it is not their ability to be handsome, to be glib, to be elegant of manner, charming and poised which makes them important. That which makes them important is what they take to heart. They can be rough and crude so far as their exteriors are concerned. But if they comprehend freedom they will be loved, not because they can make headlines or because they know the "right" people. They will be loved because they are lovable; they live without violating the freedom of others and they extend and expand the abstract virtures of honesty, truthfulness, hard work, fortitude and individual courage, despite having to act alone on most occasions. In short, they set an example of personal merit and integrity with which the latent nobility in all of us can happily identify.

These are the same thinkers who will recognize that events, however dramatic and breath-taking, unless they adhere to principles, are performed almost by rote. There is a certain sameness to be found in all errors, large or small. Only those with principles blaze new trails, the most find excitement in each new cast of characters; yet the drama being

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played is the same old tragedy of error.

Our relatively free press is still around to give us the key. Here we will find a constant reiteration both in war and in elections. A murder is a murder; rape is rape and theft is theft. Only the names of the participants change. Firm in the center of all such headlined events is the violation of the freedom of some by others. Abstract thinkers know this and avoid such karmic repetition for themselves.

These same thinkers recognize that success in the accumulation of wealth does not relate to one's ability to grab; but in one's ability to attract the patronage he desires because of the merit of his offering. Deserved success is awarded like a prize. The fact that it is deserved is more important than the level of attainment, for such success arrives within the boundaries of freedom.

Human liberty is an abstraction. It is a concept not yet attained in any final way. Indeed, it will probably never be attained as a total condition, for there will always be malfunctioning human beings, just as there are well-functioning children who know nothing at all of any abstraction until they are taught.

The abstract concept of human liberty is one of the mightiest and most important intellectual attainments of our species. It provides us with a comprehensible, visible star of such celestial magnitude that all who wish can see it. As such, it serves the function of Polaris for those who comprehend its use. You can steer your life by it, even if you cannot reach it. But until you can see it cleanly, despite the mist of multitudes, the storm of events, the scudding clouds of things, until it stands out stark and bright in your own sky, you will probably find that you are pursuing some flickering lesser purpose. Should that be the case, the problem is readily resolved. Take a new sighting and steer closer to the full abstract meaning of the word. ®

IDEAS ON LIBERTY

Albert Jay Nock

WHEN the historian of two thousand years hence, or two hundred years, looks over the available testimony to the quality of our civilization and tries to get any kind of clear, competent evidence concerning the substratum of right-thinking and well-doing which he knows must have been here, he will have a devil of a time finding it. . . . A Remnant were here, building a substratum like coral insects—so much he knows—but he will find nothing to put him on the track of who and where and how many they were and what their work was like.

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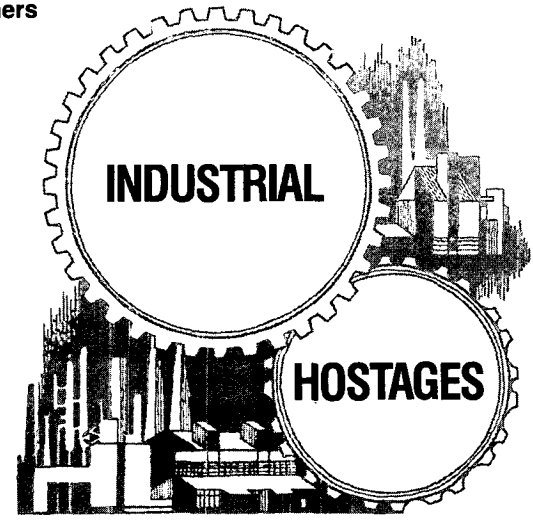
Brian Summers



WITH unemployment afflicting many communities, political leaders are proposing that businesses be prevented from closing their plants and moving to new locations. In several states, bills have been introduced which would require severance pay to laid-off workers and restitution payments to the surrounding community.

These proposals have been examined by several leading economists, most notably Richard B. McKenzie of Clemson University. Let us examine their findings, so we can better judge the merits of legal restrictions on business mobility.

Mr. Summers is a member of the staff of The Foundation for Economic Education.

Restrictions on business mobility are costly.

Suppose, for example, a manufacturing firm in the North is prevented from moving to the South, where taxes, wage rates, and other business expenses may be lower. This places the manufacturer at a competitive disadvantage compared with firms in less costly regions. His profit margins decline and his stockholders suffer losses. Eventually he may have to close.

In addition, there are hidden costs. With capital held hostage, other sectors of the economy can't expand. New businesses, new products, and new jobs won't appear because the needed resources are tied up in in-

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efficient production processes. In the long run, restrictions on business mobility lead to greater costs, higher prices, and lower real incomes.

Less mobility means less competition.

When a business firm moves into a region, it competes with local businesses and bids up the wages of local workers. Restrictions on business mobility prevent firms from entering new areas, thereby reducing competition in those regions.

As time passes, competition is also reduced in areas companies wish to vacate. New firms are reluctant to enter a region that may, at some future date, prevent them from leaving. Taking hostages scares away potential employers.

Restrictions on business mobility increase the monopoly power of unions.

When businesses are prevented from moving, the threat of job loss is reduced, and unions can increase their demands. The industrial hostage is at the mercy of the union, while nonunion workers in other parts of the country are prevented from bidding for jobs.

In the long run, restrictions on business mobility are futile.

If business firms are prevented from moving to more hospitable locations, the profitable opportunities there will be exploited by others. New firms will open and existing firms will expand. These businesses will be able to undersell the industrial hostages. The hostage firms will have to contract or go out of business.

As the new firms grow and the hostage firms decline, employment patterns will shift in spite of the relocation rules. But, because of the dislocations caused by the restrictions on business mobility, the adjustment process will be far more costly than would occur in a free and open market.

IDEAS ON LIBERTY

The Driving Force

THE driving force behind the free market is the enterprise of the businessman. He is the man who sees a chance to turn unused resources to account, and produce something out of them which the public will want. He buys materials, secures tools, hires helpers, and sells his product in the hope of recovering all his costs; including the cost of his own time and the cost of any tools that may be his. . . . Profits are the businessman's return for trying something new and desirable. When it is no longer new, profits stop. Profits are temporary only, but the gain to consumers, investors, and workers is permanent.

HART BUCK, "Freedom to Shop Around"

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Ralph Bradford

CAPITALISM—Hero or Culprit?

PICTURE in your mind a large, gross man, with a huge paunch, heavy jowls, wicked, pig-like eyes, and a scowling face. Clothe him in gaudy but expensive garments, decorate his vest with dollar symbols, and drape it with an elaborate gold watch-chain. Let him hold an over-size cigar in a bejeweled left hand, and put a bullwhip in the other.

If you want to add a really effective touch, let him be standing with one foot on the neck of a prostrate widow in front of the house from which he has just evicted her; and let her ragged children be standing by, weeping and wringing their emaciated little hands.

I think I need hardly emphasize that I have just taken you for a brief excursion into a scene out of the past—a picture that is rarely invoked in these times, but is not so distant in time as to have lost much of its effect on the mind and heart of those who once saw it. For many years that was the classical leftist concept of "the Capitalist," as represented by thousands of cartoons, and as portrayed by anti-capitalistic artists, orators and writers.

And while it has now gone out of fashion as a newspaper stereotype, and while leftist speakers are less blatant in their portrayals, the impression created by that old smear technique lingers in the minds of many. To them "capitalism" is still a kind of dirty word, and the capitalist is generally a reprehensible, if not a monstrous, character.

Mr. Bradford was a noted poet, writer, speaker and business organization consultant. He returned corrected galleys of this article a few days before his death on October 17, 1982, in Ocala, Florida.

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So . . . let's spend a little time examining some of our pet monsters.

Take *capitalism*. Is it an economic culprit or a social hero? Good question—and I hasten to answer, with stentorian emphasis—*neither*!

To be a hero or a culprit; to be innocent or guilty; to be noble or base;—this requires the attributes of person and personality. And capitalism has neither.

It is a device, a socio-economic mechanism. It has no traits of character, good or bad. It is not capable of either guilt or innocence. It is an impersonal piece of economic machinery that men have devised and developed, to help them in the constantly changing, ever evolving process of producing and exchanging goods and services.

Managed by Human Beings

If you want to say that there are bad capitalists—that there are selfish, stupid, avaricious, short-sighted, anti-social men engaged in capitalistic enterprise—you will get no argument from me. Indeed, out of my own experience I could supply you with some derogatory adjectives that may not have occurred to you!

But that is just another way of saying that capitalistic enterprise is managed by human beings. Such characters are not bad, selfish, stupid, avaricious and so forth because they are capitalists, but because they are men. They would display precisely the same objectionable traits under socialism or communism—would, and do; for the law courts of the socialistic countries are heavily docketed with both civil and criminal cases. As for communism, in the Russian Paradise itself the controlled press used to inveigh constantly against the "criminals" who are sabotaging industrial or agricultural production. The alleged crime there is to divert materials from government factories and convert them into luxury items for sale on the black market.

Within a decade after Khrushchev decided to impose the death penalty for such offenses, 163 violators were executed by firing squads. And it was soon discovered that people (supposedly good communists) were setting up a secret knitting operation to turn out sweaters and shirts. The yarns and raw wool were, of course, stolen from government warehouses, and the promoters netted the ruble equivalent of over three million dollars in about four years time. The leader and three others were sentenced to be shot, and the others to long terms in prison.

In passing, we might note here that nothing better illustrates the difference between capitalism and communism than what I have just related. I do not mean the circumstance of applying the death penalty for a civil offense. I mean the fact that capitalism is an economic system,

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operating *under* government and law, whereas communism *is* the government *and* the law, to which every commercial and industrial process must be subordinate and subservient.

The Development of the American Business System

The thing that has emerged as the American Business System—or as American Capitalism (for practically all businesses, even very small ones, are operated on accumulated capital)—this thing we call American Business is an evolution, with values added as the years have passed, and with further changes and evolution yet to be made, no doubt, as our economy develops and our needs expand. I suppose the best evidence of its utility and permanence is that it has survived and developed during nearly two centuries of trial and error.

The whole experience of man, of course, has been a struggle, a groping upward. His primary physical need, aside from biologic demands, was for food, clothing and shelter. Later, comforts, conveniences and luxuries were added. To provide this in all its ramifications, man developed a set of mechanisms—trade, transportation, markets, money, credit. Of first importance among these was *trade,* the great civilizer.

Some years ago I wrote and published a little book of verse that I called "Heritage." It was my effort to express in metrical measures something of the physical, moral, religious and political legacies that have come down to us from the past. Well, leaving aside its poetic measures, let me summarize here the guess I made in it as to the real origin of the thing we call trade.

One day a hairy hunter staggered home to his cave, under the weight of a small venison—happy to have provided some food for his cave and its inmates, but distraught because, in killing the deer with a well-aimed arrow, he had broken his last flint head, and must now spend a lot of time and effort to find and fashion another to replace it.

His neighbor, however, had a different kind of problem to worry about. With all the instincts and needs of a good hunter, he was however, lame from a broken hip, and could not go afield to hunt big game. Instead, he had to content himself with wild fruit, and with easily-caught small fish, for food. This handicap, however, allowed him plenty of time to sit before his cave and chip pieces of rock into flint-heads—an occupation at which he had become rather expert. As his hunter friend drew near, he had several such flints all shaped and ready to become spear or arrow points. But . . . he had no food; and he was hungry!

And then, suddenly:

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The thought elusive that had burned
With smoking smudge, remote and dull,
Within each thick and troubled skull
Burst forth at last in vocal flame.
Each gave a start, and then a shout
Of wonderment; and each held out,
The one his flint, the one his game,
And thus a mighty force was sired.
Man's life would never be the same,
Each gave the thing he least required,
And gained the thing he most desired!

The Process of Exchange

Well . . . in some such fashion the principle of trade was discovered, and a first long step was taken toward civilization. For that (or some experience like it) was the beginning of specialization, which was the convenience under which individuals no longer had to supply with their own hands all they needed, but each could specialize in what he did best, easiest, and with most pleasure. This gave to those who wanted it freedom for leisure; and with leisure, even a little of it, came time to wonder, to think, to dream, to question, to doubt, to create—in short, to begin to be civilized.

That was trade—exchange; and it is still at the heart of business. It has almost infinite ramifications—finances, credit, production, distribution, salesmanship, advertising, competition, legal observances and restrictions,—but it comes down finally to an exchange between two people.

The two cave men of my little poetic fable stood face to face. In modern commerce the original producer and ultimate consumer almost never see each other. A score, maybe a hundred, intermediaries may stand between them. But the principle and the results are the same.

Namely, Mr. A has produced something far in excess of his need for that particular thing. He receives tokens for the time and skill he has expended in producing the thing. These tokens are called money. Another man, Mr. B, has done the same thing with some other product. On the open market each exchanges his tokens—his money—for what he needs of the other's product,—and so do millions of others,—with some grumbling, some cheating, some chiseling going on, no doubt; but with general satisfaction, benefit and convenience to all concerned.

Some years ago I saw this graphically illustrated. A television commercial was extolling the superior grade of cotton in a product being advertised. It showed two men in a raw cotton wareroom—a seller and a buyer. Many samples of cotton were spread out on tables—handfuls of lint that had been pulled from bales in a distant warehouse, each sample tagged by number to its far-away parent bale.

The seller demonstrated the quality of the various samples—long staple, freedom from dirt, etc. After

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some haggling back and forth as to price and number of bales available, the buyer said okay—and the deal was closed. And as the scene closed, I remarked to my wife, who happened to be with me, "Multiply what we have just seen by a thousand, and you have that mysterious thing called the cotton market."

Back of each of those men was a small army—farmers, truckers, weighers, graders, ginners, compress men, railroaders, weavers, spinners, salesmen—and hundreds more. But the whole business was built around the point where two men strike a bargain for X bales of cotton.

That is trade; that is business; and that, in these modern times, is capitalism. Business is more than a store, or an office, or a bank, or a stock exchange. It is the whole, vast, infinitely complicated yet essentially simple matter of exchanging the excess goods and services provided by a million John Does, for the similar excess of other goods and services produced by a million Richard Roes—to the benefit of all.

Finally, it is summed up in a couplet from my little poetic analysis:

Each gave the thing he least required,
And gained the thing he most desired.

These men are capitalists. What about *your* capitalist? Is he a hero, or a culprit?

IDEAS ON LIBERTY

The Businessman's Morals

BUSINESSMEN are a cross section of the whole society, neither more nor less moral than the whole. The function of business is to feed and clothe and house and serve the people. It could do a better job if it were freer to meet that responsibility, with less lecturing and backseat driving by the innumerable army of monitors of business. Let the whole people share in carrying the conscience of society.

There is an inclination to believe that when an action is contemplated, two alternatives will present themselves—one clearly labeled "Right," and the other "Wrong." Actually, there may be a choice of several courses of action, each of which has elements of moral sanction and other aspects of doubtful propriety. In short, we do not have just black and white indicia to guide our moral instinct, but also a large area of varying shades of gray. It is in this setting that a businessman must decide. He is called upon continually to exercise managerial judgment, not only in the economic zone, but in the ethical as well.

FRED DE ARMOND

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The Economy in Mind

THE *double entendre* in Warren T. Brookes's title, *The Economy in Mind* (New York: Universe Books, 381 Park Avenue South, New York, N.Y. 10016, 256 pp., $15.95) is presumably intentional. Quite literally Mr. Brookes, a former Boston businessman who has recently set up shop as our most lucid economic columnist, means that wealth starts with ideas in people's heads. This truth, unfortunately, is not at all apparent to the majorities that control our destinies. So, with the future of the economy in mind, Mr. Brookes patiently points out to the erring multitudes certain facts which, if acted upon, could restore us to an old American heritage of free choice in plentiful circumstances.

The significance of the first meaning of Mr. Brookes's title is particularly obvious from the author's own Massachusetts vantage point. All along Route 128 outside of Boston little companies exploiting the new knowledge that comes out of electronics and the computer have grown fat. The so-called high tech origins of these companies are in the American university world as exemplified by nearby institutions such as M.I.T., the University of Massachusetts, Boston University, Boston College and (though Mr. Brookes has a low opinion of certain Harvard professors of political science) Harvard. High tech comes out of the laboratories and off the blackboards of chemists and physicists—it is preeminently of the mind.

The money that is to be made from the proper application of such academic sources so far outruns what Massachusetts can derive from codfish and cranberry juice that it is ridiculous to think about it. Even so, the application of mind to the packaging of cranberry juice in water and airproof paper containers and the wrapping of fish in plastic bears out Mr. Brookes's thinking. Indeed, as

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George Gilder points out in a foreword, Mr. Brookes's career as a businessman consisted largely of reeducating the entire meat industry in its marketing practices. Believing in Cryovac, a saran-type plastic package used mostly for frozen poultry, Mr. Brookes showed his colleagues that saran could be used to wrap and box all the appropriate cuts of fresh red meat at the slaughterhouse, thus doing away with much of the work done expensively by retail butchers.

Erhard Advises Kennedy

The trouble with the politicians who represent Mr. Brookes's state in Washington is that they still think in terms of a retail butcher constituency. This was not always true of the Massachusetts politico. Mr. Brookes has a great fondness for the memory of President John F. Kennedy, who believed in the Laffer Curve before Laffer. Brookes reminds us that it was Chancellor Ludwig Erhard of West Germany who first impressed it upon young John Kennedy that cutting high marginal tax rates would pay off even more for the masses than the classes. When Kennedy visited Germany in 1961, Erhard, a Mont Pelerin disciple of Mises, Roepke and Hayek, told him to avoid the British high tax-model, to stop punishing wealth creation and to cut America's "egregiously high wartime tax rates."

Kennedy took Erhard's advice, overriding his own "liberal" advisers. He made his tax-cut case in words that would "have delighted both Andrew Mellon and Ronald Reagan." When his tax bill passed in the early days of Lyndon Johnson, before the high spending of the Great Society and the Vietnam War was inflicted upon us, America, in Kennedy's words, "began moving again." Personal savings jumped from an average annual growth rate of 2 per cent to 9 per cent. Business investment went from 2 per cent to more than 8 per cent. Within two years the Gross National Product had increased 20 per cent, and unemployment had declined by 33 per cent. Even Walter Heller, the Keynesian economist who had tried to stay Kennedy's hand, had to admit that the tax cuts, anticipating Laffer, had paid for themselves "in increased revenues." Thus "trickle down" trickled out to help government itself as well as the little man struggling to make it to a higher income tax bracket.

A Democratic governor, Edward J. King, got the idea and proceeded to put Massachusetts on the Laffer Curve by reducing local taxes. Unfortunately, Senator Edward Kennedy and his House of Representatives colleague Tip O'Neill have failed to appreciate the wisdom that Ludwig Erhard conveyed to John F. Kennedy a full generation ago.

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The Case For Deregulation—A Lesson for OPEC

What Warren Brookes tries to bring home to his readers in Boston and elsewhere is as old as Adam Smith and J. B. Say, who believed that ideas could pay off in unhampered production if they were allowed to flow without the attention of the politico in search of special privilege for a limited constituency. We have seen what could happen to please the almost universal constituency of automobile owners when Jimmy Carter and Ronald Reagan deregulated oil prices. OPEC has never been the same since.

Brookes, not satisfied with the trouble we have already made for the OPEC energy cartel, wants to extend deregulation to natural gas sooner rather than later. He notes that three separate studies, one of them by the Colorado School of Mines, show that there is plenty of gas in the continental United States to make oil imports from the Middle East unnecessary once factories and utilities have been converted to natural gas or easily accessible coal. According to Dr. Paul Hastings Jones, "geo-pressured methane" gas in deep Gulf Coast brines could contain 50,000 trillion cubic feet of gas. This is for the far future when we really need to drill deep. There are much more available reserves that would be tapped quickly if the price were permitted to swing free.

Mr. Brookes goes to Canada to prove his point. When Canada deregulated new gas it completely transformed western Canada's "leisurely" petroleum industry within two years. The new gas discoveries piled up a surplus that Canada was happy to sell to the United States at enhanced prices, meanwhile freeing oil for gasoline use in cars both in the U.S. and in Canada itself.

Reagan knows all this, but he has not yet mustered the political courage to do for gas what has already been done for oil. So we continue to have a natural gas shortage. As William Tucker of *Harper's* magazine, quoted by Brookes, puts it, "without the foreign oil needed to make up for the natural gas shortage, OPEC would be about as important to the American economy as a Turkish bazaar."

Brookes is marvelous when it comes to using statistics, but he is just as good when he deals in moral categories. No individual or nation, he says at one point, "ever became rich through envy. Nothing useful or constructive was ever created through envy. No business ever succeeded through envy. No jobs were ever created through envy. Envy in reality is the single most impoverishing attitude of thought."

This is only one of Brookes's small sermons. A preacher could live off the grist provided by this book for a year.

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THE PATH OF DUTY
by Leonard E. Read
(The Foundation for Economic Education, Inc., Irvington-on-Hudson, N.Y. 10533), 1982
128 pages ■ $7.50

Reviewed by Perry E. Gresham

Leonard Read has done it again. His new book is called *The Path of Duty*. Most tables of contents are dull descriptive material, but this one is as exciting as the fetching illustrations that appear in a seed catalog. Each one suggests a bright and winning idea which is well-nigh irresistible. Here they are—all 26 of them—followed with a very useful index.

1. The Path of Duty
2. The Purpose of Wealth
3. How To Become a Millionaire
4. Vanity and Virtue
5. The Limits of Knowledge
6. Poverty Has Its Advantages
7. The Enjoyment of Truth
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10. My Rights Are Your Rights
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19. Earnest Resolution
20. Attraction
21. A Benefactor To Mankind
22. Govern Thyself
23. There Is Time Enough
24. Sweet Land of Liberty
25. To Aspire After Virtue
26. Greatness

Walter Scott inspired the title essay with his shrewd remark,

> If you have no friends to share or rejoice in your success in life—if you cannot look back to those to whom you owe gratitude, or forward to those to whom you ought to afford protection, still it is no less incumbent on you to move steadily in the path of duty; for your active exertions are due not only to society; but in humble gratitude to the Being who made you a member of it, with powers to serve yourself and others.

His chapter "The Purpose of Wealth" contains an autobiographical insert which suggests the reason for Leonard Read's success in founding and maintaining the Foundation for Economic Education. Said Read,

> My annual salary when General Manager of the Los Angeles Chamber of Commerce in the early forties was $18,000. One day the head of the country's largest insurance company offered me the job of heading their affairs in the seven western states. Said he, "Leonard, I do not know how much you will earn but I guarantee it will not be less than $100,000." I replied, "No, thank you."

Read turned down this offer because his life was devoted to the understanding and the promulgation of freedom as a way of life.

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Leonard Read's contention is that a person can become a millionaire by thinking a million great thoughts. This is not only a sublimated millionaire but an actual one, for these million great thoughts pay off in the marketplace.

This little volume continues to range over such interesting thoughts as the advantages of poverty. One of our very great Americans was called to Harvard University where his son was in school. The son was in trouble. The father, whose name is a household word in America, was outraged by his son's behavior and said to the student, "Why on earth would you do this? Such action would have been unthinkable in my student days." The student answered, "Dad, I did not have the advantage of being poor."

For Read one of the great values of the philosophy of liberty is the enjoyment it brings to the people who attempt to practice it. There is nothing grim and dour about Read's economic philosophy. No one would have ever called economics "the dismal science" had Read been the principal writer at that time. Liberty and truth are to be enjoyed—not endured.

In chapter 8 Read reaches back to John Stuart Mill who says, "The only freedom which deserves the name, is that of pursuing our own good in our own way, so long as we do not attempt to deprive others of theirs, or impede their efforts to obtain it." That genius who wrote so clearly about liberty was so schooled that he studied himself into a contradictory socialist viewpoint. Fortunately, his great book on liberty makes amends for his other mistakes.

One particularly helpful passage in *The Path of Duty* has to do with the penchant of Americans to choose second-rate people for high public office. Leonard Read uses Burke for his opening statement in chapter 10 and proceeds to show how we can stay free in spite of the politicians. There is a destiny above and beyond us which brings us back to liberty time and time again.

One of my best friends in his later years said, "When I was young, I judged people on the basis of what they could do. Now that I am old, I judge them on the basis of how kind they are." Leonard Read's little book is a shining example of his kindly personality. He has no time to put people down, but only to identify the best in those around him in order that they might be inspired to nobler things.

The book concludes with a series of 15 quotations pertinent to the qualities that mark a pilgrim through this life with greatness. In this Read has performed the function that Plato mentioned for every great teacher, which is to "hold before the young a vision of great-

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ness." This little book, *The Path of Duty,* does just that and each reader will be inspired.

THE OMINOUS PARALLELS: THE END OF FREEDOM IN AMERICA
by Leonard Peikoff
(Stein & Day, Scarborough House, Briarcliff Manor, N.Y. 10510), 1982
383 pages ■ $16.95

Reviewed by Robert James Bidinotto

GERMANY was the "land of poets and philosophers"—an educated, industrialized, civilized nation that took pride in its artists, thinkers, and culture. Yet it first appeased, then elected, then obediently followed a man who led it into a global, systematic campaign of aggression, racism, horror, and mass extermination that defied all reason, values, and precedent.

Dr. Peikoff's thesis is that the seemingly incomprehensible madness of National Socialism seized Germany not in spite of, but precisely because of, her "poets and philosophers." The "ominous parallels" are that similar ideas—and the cultural consequences—are sprouting in America today.

It is a sobering thesis, and controversial: few readers, even those supporting the free market, will fail to be challenged by at least some of Dr. Peikoff's indictments. As the chief spokesman for the late Ayn Rand's Ojectivist philosophy, he attacks some popularly accepted philosophical and moral ideas. But therein lies much of the book's value. Nobody can come away from this work without a better grasp of how ideas rule the practical lives of men, and without a deep re-examination of his own basic convictions.

Perhaps the most impressive aspect of Dr. Peikoff's analysis is its scope. It is a wide-scale synthesis of the history of certain philosophical ideas, and their cultural manifestations, in both the Old World and the New. Among the fields traversed are the arts (from music to architecture), science, religion, political and economic theory and history, education, psychology, even cult fads, in both Germany and America. The writing is clear, colorful, and well organized; and the many subjects are always linked by reference to a few basic principles.

Dr. Peikoff concludes his book with a short, systematic summary of the Objectivist philosophy, a neo-Aristotelian theory offered as an antidote to the doctrines he has indicted. Even those who might disagree will find within these pages the best brief condensation of Ayn Rand's system in print. ◉

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Prepared by BETTINA BIEN GREAVES of the Foundation staff

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